



What Could You Do with Three Months Away?

For years now, a variety of foundations have been funding sabbaticals for executive directors. A new report, *Creative Disruption* (compasspoint.org), details these findings:

- **Executive sabbaticals increase organizational capacity.** A sabbatical strengthens staff responsibility and succession planning. Non-profit organizations discover strengths they didn't realize they had.
- **During their three-month sabbaticals,** leaders' self-esteem went up even as they learned they weren't indispensable. Their family relationships and health improved. They returned with innovative ideas—and stayed with their organizations longer.
- **Of those who took over as interim leaders** while the executive director was on sabbatical, 50% say they gained a new vision for the organization, and 80% of those have influenced the organization to take on that new vision.
- **Funders receive important returns** such as building trusting relationships with leaders and gaining deeper perspectives on community needs.
- **Sixty percent of survey respondents said their board is more effective** as the result of the learning that surrounds the sabbatical process. □



How to Reach Donors of Today & Tomorrow

“The Next Generation of American Giving,” a study by Convio (www.convio.com), Edge Research (www.edgeresearch.com), and Sea Change Strategies (www.seachangestrategies.com), provides these insights into changing donor patterns:

- Today's donors give through many channels, such as e-commerce, special events, social media, tributes, monthly debit programs, mobile/text donations, direct mail, and telemarketing. The younger the donors, the more ways they give.

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- Message integration is an urgent priority. In some organizations, direct mail, online fundraising, social marketing, and e-mail communication are all managed separately. This approach is fatal to effective multichannel marketing.
- Word of mouth is critical. In the survey, “friends asking for money” far outpaced direct-mail and e-mail solicitations as an effective strategy. Such friend-to-friend communications may take the form of “thon” events where individuals set up personal fundraising pages and social-media platforms that make it easy for people to spread the word.

Direct mail has a bright future, but it's no longer the sun around which all other tactics revolve.

- The role of social networks in fundraising is important and evolving. So far, people are still more likely to donate through a nonprofit's Web site than through Facebook Causes or TwitPay. But that's changing. And the value of social media in brand-building and viral messaging is beyond debate.

Actions to Take Tomorrow

1. **Reallocate** some of your direct-mail resources toward the Web and social media.
2. **Collect** contact information for multiple channels, including physical mail addresses, e-mail addresses, and cell-phone numbers, as well as data on the ages of your donors.
3. **Build** a campaign that encompasses communications and solicitations across many channels, including direct mail, the Web, e-mail, social media, telemarketing, personal solicitations, and viral campaigns asking your supporters to forward a message to others.
4. **Test** special strategies for younger donors, such as an emphasis on online communications versus mail and on asking people to spread the word rather than just contribute money.
5. **Ensure** that you have capabilities for managing relationships via e-mail, social-media, and Web channels. If you have the resources, experiment with cellphone and texting communications.
6. **Choose** a donor management system that tracks relations with next-generation donors across channels and across activities, including advocacy and volunteering. □

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📌 The Best Strategies for Harsh Economic Times

In *Nonprofit Finance for Hard Times* (John Wiley & Sons, www.wiley.com), Susan Raymond sets forth these principles and tips to remember during periods of economic difficulty:

- **The economy is cyclical.** Down times are opportunities for nonprofits to renew themselves. Rather than “weathering the storm” or cutting back, nonprofits should take advantage of the chance to power forward.
- **History shows that philanthropy always recovers quickly** and rebounds significantly after economic downturns.
- **Two approaches are crucial** in tough times: (1) Nonprofits need to have many different sources of revenue. (2) Nonprofits must have plans in place to take full advantage of the strong upturn in philanthropy that always follows a downturn.
- **Planned giving isn’t a cure-all** for nonprofits in a difficult economy. Many popular planned-giving tools suffer greatly from people’s investment losses. However, one planned gift that continues to be simple, profitable, and well worth pursuing is the bequest. (See “How to Obtain More Bequests, *Nonprofit World*, Vol. 23, No. 2, www.snpo.org/members.)
- **Set your hard-time strategy** during good times. Have a plan and a contingency budget you can put in place as soon as you see the economy start to falter. Monitor the economy carefully so that you’re always looking ahead, ready for what comes next in the cycle. 📌

📌 Unlocking the Mysteries of Organizations

Organizational systems are often so hidden we forget they’re there. But when we’re blind to systems, we fall into unproductive patterns. Only if we pay attention to how systems work can we change them for our benefit.

In *Seeing Systems* (Berrett-Koehler Publishers, www.berrett-koehler.com), Barry Oshry urges each of us to take responsibility for developing productive systems. Once we learn to embrace the inevitable uncertainties in a system, we can move beyond destructive battles. We can create systems with extraordinary capacities for surviving and developing.

When we’re blind to systems, we fall into unproductive patterns.

Typically, people fight to protect their culture from change, afraid that it will weaken the system. In reality, however, turbulence helps build robust systems. This gem of a book will help you turn chaos to your own ends, overcome system blindness, and use diversity to build a flexible, ever-changing and growing organization.

—reviewed by Terrence Fernsler

HOW TO MASTER UNCERTAINTY

When one fixed position confronts another fixed position, nothing gets done. For meaningful change, confront the uncertainty underlying these positions. Learn to do so with these hints from *Seeing Systems*:

- **Accept that there are no simple answers** to the problems you’re facing.
- **Avoid polarization.** Notice how quick we are to attach ourselves to positions, driving one another even further into opposition.
- **Examine possibilities** from all sides, seeing limitations as well as strengths. If you don’t deal with the down sides of your possibilities, you can be sure someone else will.
- **Be a force for what’s missing** in your group. Instead of taking a position, function as a force for what needs to be done.
- **See yourself as a complex system** capable of many responses to uncertainty.
- **Be flexible.** If you feel too comfortable with something, move away from it. Change it. 📌

📌 Coaching Your Team to Improve Performance

An important part of leadership is taking on the role of coach—improving team members’ performance with motivational techniques. *Motivating Your Team* (published by Sage Publications, www.sagepub.com) shows how coaches motivate team members. The author, Peter Taylor, reviews what it takes for a team to continuously improve—replacing processes that act as impediments with those that foster motivated behavior. Although the book’s subtitle is “Coaching for Performance in Schools” and Taylor draws on his experience in education to illustrate his points, his advice will be useful to any group that works as a team.

If you want your organization to be effective, you need a sustainable process for motivation. This 145-page paperback will help you bring people’s talents together into a high-functioning team. 📌

—reviewed by Terrence Fernsler



What Trends Will Affect You the Most? Here's a Synopsis

At a recent meeting, nonprofit thought leaders came up with the following trends they feel will present the greatest challenges and opportunities for nonprofits in the next few years.

1. The economy. The economic situation will inform how you conduct business, including marketing and fundraising.

2. Recruiting and retaining the next generation of leaders. Baby boomers need to listen to young professionals and encourage new talent.

Recent decisions to cease making grant decisions based on overhead ratios have rocked the philanthropic world.

3. Evolving technology. You need to decide to what extent your organization should have a presence in social media (Twitter, Facebook, and the like) and which Web-based tools are worth your while.

4. New fundraising challenges. To stay important to donors, you must be a savvy fundraiser and be aware of the following:

- Long-tail charity. Intermediaries such as Kiva and DonorsChoose are part of a movement allowing more and more people to donate small amounts.
- Impact investing. The Rockefeller Foundation has just published "Solutions for Impact Investors," a sign that funders are changing their focus from inputs to outputs, outcomes, and impact. And the recent decisions by Charity Navigator, GiveWell, the Boston Foundation, and others to cease making grant decisions based on overhead ratios have rocked the philanthropic world and introduced a long-awaited change of focus.
- Multigenerational philanthropy. Many foundations and individuals are preparing for a large wealth transfer, and nonprofits need to bridge generational gaps in fundraising.

5. The changing volunteer landscape, including the proliferation of single days of service. One day of volunteering can't change the world, as many nonprofits are claiming. We must find a way to accommodate those with limited time to volunteer in ways that are truly productive.

6. Transparency. With the growth in Web sites that monitor and rank nonprofits in terms of economic ef-

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iciency, you must be open about income and expenditures.

7. Conservative America. Nonprofits need to quit treating conservatives like the enemy and work to win their support.

8. The need for more diverse board members, including young people proficient in social networking. Linda Crompton of BoardSource points out in "The New Future of Governance" (www.transformativegovernance.org) that "any board that is homogenous in an ethnic, gender, or generational sense will be at an enormous disadvantage." Rather than sitting as a lone young person or person of color on an otherwise homogenous board, people are impatiently forming their own organizations and boards.

9. The changing shape of the nonprofit sector, including these important trends:

- Strategic restructuring such as mergers. It's vital for nonprofits to be assertive in restructuring themselves rather than waiting till foundations or government entities step in and do it for them.
- The nonprofit/for-profit convergence. The line that once distinguished the two sectors will continue to blur. For-profit companies, especially those being started by young people, want to change the world as well as make a lot of dough. New legal forms—like the L3C corporation, which combines elements of for-profit and nonprofit forms to receive philanthropic dollars—are facilitating convergence. Positive consequence: increased cross sector collaboration with dramatically increased mission impact. Negative consequence: mission drift.

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- Next-generation social enterprise. The White House and statehouses across the country are promoting social enterprise. People are beginning to recognize that the private sector is a major player in the field. Social enterprise investment funds are springing up. Business and public policy students with advanced degrees are starting social enterprises instead of joining consulting firms. Secondary school students are launching businesses that have a social purpose.
- Proliferation of new nonprofits and the desire to elevate new "brands" above concern for service. Every organization wants a new look, a spiffy Web site, a catchy tag line—and it's easy for the public to be swayed by the sizzle and not realize they're being shortchanged on the steak. □

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▣ Rate Your Strategic IQ

Today's leaders need more than a high IQ. They need strategic intelligence, which is made up of a set of five interrelated qualities—foresight, systems thinking, visioning, motivating, and partnering. How strategic is your intelligence? See if you can answer “yes” to these questions:

- **Do you have a grasp of forces** that will shape the future (such as technology, multiculturalism, and the changing nature of work)? Do you spend time explaining to others how these forces will impact them and how you plan to address the necessary changes?
- **Are you able to respond** to challenges and stress with grace and a sense of humor?
- **Do you spark hope, not fear**, in those you lead?
- **Does your vision inspire** and mobilize people?
- **Do you practice and reward** collaborative behavior?
- **When making decisions**, do you consider how all relevant factors relate to one another?
- **Can you help people embrace change** by showing them how the changes will benefit them?
- **Do you strive to see** the whole system, not just your part of it, and how your role relates to all the parts?
- **Do you have a good understanding** of different personalities, and do you use this knowledge to evaluate potential partners? ▣

—adapted from *The Leaders We Need* (Harvard Business School Press, www.hbsp.harvard.edu)

▣ Can Leadership Be Taught?

The old image of leaders as heroic figures who are somehow all-knowing no longer fits at a time when information is diverse, systems are complex, and we recognize our increasing interdependence. Leadership can no longer be viewed as strictly a science. It's science and art. And artistry isn't mysterious and innate; it can be honed.

In today's complex society, people are vulnerable to feeling overwhelmed, diminished, and insecure. Many don't know how to cope and want to give power over to some authority. In most groups, people are in varying places on the journey from authority-bound to interdependent thought. Responding to these differences requires adaptive leadership—the art of knowing when and how to use the functions of authority.

In *Leadership Can Be Taught: A Bold Approach for a Complex World*, (Harvard Business School Press, www.hbsp.harvard.edu), Sharon Daloz Parks advises leaders to “get on the balcony.” In other words, learn to pull back and view each situation objectively, from multiple points of view, while still being intensely involved. Only then can leaders adapt their approaches quickly and smoothly to respond to people's differing needs.

Adaptive leadership is vital in navigating the rapid changes in our social environment. Parks' book does an excellent job of explaining what adaptive leadership is and how it can be learned. ▣

—reviewed by Terrence Fernsler

▣ Leading in a Turbulent World

Margaret Wheatley, in *Finding Our Way* (Berrett-Koehler Publishers, berrett-koehler.com) offers these suggestions for leading in a time of unpredictable change:

1. **Connect people to information** throughout the organization. To respond quickly and wisely, people need access to every part of the system's intelligence.
2. **Be willing to give up personal power** for the good of the group. Overcontrol stifles creativity.
3. **Think long term**, and cultivate patience. Meaningful change takes years.
4. **Eliminate hierarchies**, and promote relationships between people in different parts of the organization. Only if people have the opportunity to “bump up” against others in the system do they make the unplanned connections that spawn new ventures.
5. **Learn to live on the edge of chaos**, holding tight to faith in the organization's intelligence. Though you can't know the future, the system is talented enough to organize in whatever ways the future requires.

Key Questions to Keep Asking

- Who's missing? Who else needs to do this work?
- Is the meaning of this work still clear? Is it changing?
- Is information becoming more open and easier to access?
- Are we learning to live with confusion and chaos?
- Are we becoming more truthful with each other? ▣